Indonesian Journal of Islamization Studies
INJAS
P-ISSN: 3026-5401
E-ISSN: 3026-5398
2024 Vol. 02, No. 01, 123-140
doi: 10.21111/injas.v2i1.12507

Shariah-Compliant Housing: Opportunities and Challenges in Modern Markets

Perumahan Sesuai Syariah: Peluang dan Tantangan di Pasar Modern

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Submitted 4 June 2024
In Review 14 July 2024
Accepted 27 August 2024
Published 28 August 2024

Abstract *This study explores the market potential and challenges of Shariah-compliant housing in Malaysia, adhering to Islamic principles. Using a mixed-method approach—surveys of 150 Muslims and expert interviews—it finds strong demand (78% willing to pay a premium) but highlights barriers like low awareness and financing issues. Enhanced education and regulations are crucial for market growth.*

Keywords Shariah-compliant Housing, Islamic Finance, Ethical Real Estate, Alternative Financing Models, Muslim Consumer Market.

Abstract *Studi ini mengeksplorasi potensi pasar dan tantangan perumahan berbasis syariah di Malaysia yang berlandaskan prinsip Islam. Dengan pendekatan mixed-method—survei terhadap 150 Muslim dan wawancara ahli—hasilnya menunjukkan permintaan tinggi (78% bersedia membayar lebih), namun terdapat kendala seperti rendahnya kesadaran dan masalah pembiayaan. Peningkatan edukasi dan regulasi sangat penting untuk pertumbuhan pasar.*

Keywords Perumahan Syariah, Keuangan Islam, Real Estate Beretika, Model Pembiayaan Alternatif, Pasar Konsumen Muslim.

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Introduction

Currently, the world real estate market is gradually acknowledging the need for product diversification, with shariah-compliant housing being one of the segments. The basics Islamic housing, or shariah-compliant housing, is therefore a unique model of housing that is derived from Islamic precepts[1]. Such principles as prohibition of charging interest, gambling, and excessive uncertainty reflect financiers' ethical norms that are dear to Islamic clientele. As a result of population growth, especially among Muslims all over the world, the need for accommodation that embraces the Islamic principles of society increases. A verdict of such a shift can be seen in the following growing market prospects to search for Shariah-compliant housing: a market opportunity available for developers and investors to tap into by fulfilling the needs of a unique yet ever-growing populace. Religious sensitivity alone cannot explain why consumers opt for Shariah-compliant housing; it touches on the ethical standards of living that conform to a society's acceptable moral standards. In this regard, Malaysia's market, with a significantly large Muslim population, provides the best platform to explore the dynamics of Shariah-compliant housing.

The development of Islamic housing in Malaysia benefits from a well-developed Islamic financial system and active regulation[2]. It has been at the forefront of incorporating Islamic laws into its fiscal and housing industries, which has offered adequate opportunity for Islamic housing projects. For instance, the Islamic Financial Services Act 2013 outlines the legislation for structures for the development of Islamic instruments together with other contracts, including housing[3].This regulatory support is also

[1] Kassim, Salina. "Islamic finance and economic growth: The Malaysian experience." *Global Finance Journal* 30 (2016): 66-76. p 66

[2] Idris, Md Suffian, et al. "Two-decade dynamics of MODIS-derived Secchi depth in Peninsula Malaysia waters." *Journal of Marine Systems* 236 (2022):103799. p15

[3] Chua, Wang Sheair, et al. "Bank Negara Malaysia Working Paper Series WP3/2013." (2013).

supported by policies from the government's side towards the betterment of the living standard of the Muslim population, for instance, the National Affordable Housing Policy[4]. This policy indicates the government's input in the provision of housing needs, besides embracing Islamic provisions. The policies and encouragement given by the government extend to the advancement of Shariah-compliant housing, but at the same time signify the long-term target of incorporating the principles of Shariah into the developmental policies of the nation[5].

Nevertheless, there are several stumbling blocks that the Shariah-compliant housing market in Malaysia needs to overcome to thrive effectively and to the fullest[6]. One of them is the lack of clients' knowledge and focus on what does and does not conform to Shariah law regarding real estate. This lack of information leads to these ideationally based beliefs and perceived risks that generic lumber buyers and investors can experience, which in turn stymie a market. Most consumers are unsure of the products and opportunities of Shariah-compliant housing, thus registering doubts and avoiding a particular market segment[7]. Also, the financial solutions that are central to Shariah-compliant housing, like murabaha and ijara, are not as available or apparent as conventional financing models like mortgages. Due to these reasons, coupled with the difficulty and scarcity of these financing methods, the growth of markets is also restrained by potential buyers and investors. In addition, there is no codified set of rules, regulations, and certifications, which affect the market and result in variations.

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[4] Ebekozien, Andrew, Abdul-Rashid Abdul-Aziz, and Mastura Jaafar. "Low-cost housing leakages in Malaysia: the unexplored dimension." *Pacific Rim Property Research Journal* 24.3 (2018): 249-264.p250

[5] Wahab, Rizwan, et al. "Self-styled ZnO nanostructures promotes the cancer cell damage and supresses the epithelial phenotype of glioblastoma." *Scientific reports* 6.1 (2016): 19950.

[6] Bilal, Muhammad, et al. "Immobilization of fungal laccase on glutaraldehyde cross-linked chitosan beads and its bio-catalytic potential to degrade bisphenol A." *Biocatalysis and agricultural biotechnology* 19 (2019): 101174.p10

[7] Qureshi, Fahad, and Sutan Emir Hidayat. "Challenges in Implementing Musharakah Mutanaqisah Islamic Home Financing in Malaysia." *Journal of Islamic Financial Studies* 2.02 (2016)p 2

Due to a lack of well-defined and standardised rules, there may be troubles with compliance guarantees and compliance verification, which in many cases appear to be a trust question in addition to market separation[8]. The former requires an educational approach to addressing those challenges, as well as the enhancement of awareness concerning Shariah-compliant financing and the setting up of standardised regulations for Shariah-compliant housing.

To address the aforementioned challenges, some effective strategies that can be recommended are: First, it is vital to increase consumers' awareness and knowledge regarding halal housing according to Shariah standards. This can be attained through advertising, sensitization forums, and creating awareness through the use of materials that seek to explain more about Shariah-compliant housing. An increase in public awareness among the target consumers will assist in breaking the common myths about the market and thus enhancing a higher level of participation from potential customers as well as investors. Second, it is relevant to increase the presence and awareness of Islamic financing instruments. Individual lenders and financial institutions must attempt to make available and advance these non-conventional financing models more significantly and, at the same time, offer professional development courses for the enhancement of the usage of Shariah-compliant financial products.

This will go a long way towards closing the gap between conventional financing and Islamic financing, making it easier for consumers to access the financing needed to pay for housing. Finally, effective regulation and qualification procedures that can be applied to housing-related Shariah-compliant projects are required for the purpose of standardisation and to promote investors' confidence. Legal authorities, together with industry players and Islamic scholars, need to establish a uniform standard that can be easily understood and implemented, which acts as a guarantee to

[8] Mohd Azmin, Nurul Azhani, et al. "Issues and Challenges in the Development of Shariah Compliant Hotels in Malaysia." *Advanced Science Letters* 21.5 (2015):1146-1149.p1146

the consumer and developer. According to the mentioned factors, Malaysia will be capable of enhancing its status as the leading country in Shariah-compliant housing and providing a model for emulation for other countries with a large Muslim population.

A Problem and Statement

At present, the idea of Shariah-compliant housing is in its infancy in many parts of the world, the same being true of Malaysia, where there is poor awareness and acknowledgement of the concept by the populace, prospective clients, and investors. Although most Islamic countries are reputed for offering legislation support for Islamic finance, little knowledge has been stored on the people regarding Shariah-compliant housing. These misconceptions and doubts often result in stagnation and poor development of the markets, as well as crude enforcement of laws still seen in some regions. Solving this problem is crucial for the formation of a stable supply and demand for Islamic housing in Malaysia, which could be an example for other states with a large Muslim population.

The issue that seems to be harming the Shariah-compliant differentiated housing market in Malaysia is the lack of information and knowledge on what actually constitutes Shariah-compliant housing. A number of prospective customers are unaware of the key factors that distinguish Shariah-compliant properties from regular ones. Some of these criteria are the prohibition of interest-based financing, gambling, and uncertainty[9] in contracts[10]. Without these principles being well understood by the audience, the prospective buyers of the Shariah-compliant housing might shy away from engaging in the said activity, considering it to harbour some complications or additional unknown costs. This lack of awareness is further compounded by the general dearth of advertising and market communication for Shariah-compliant housing projects, which do not market

[9] Uddin, Md Akther. "Principles of Islamic finance: Prohibition of riba, gharar and maysir." (2015).Hal 5

[10] El-Gamal, Mahmoud A. *Islamic finance: Law, economics, and practice*. Cambridge University Press, 2006. Hal 68

them as the products that are indeed Shariah-compliant and hence beneficial to consumers on the grounds of Shariah.

Documentation is considered another major issue affecting the development of Shariah-compliant housing in Malaysia, as occasioned by the complexities of holding and financing. In place of interest, conventional financing requires its elimination, which goes against Shariah principles. However, for Shariah-compliant housing, the acceptable sources of finance will call for different structures, like cost-plus financing, also known as murabaha, and leasing, also known as ijara. Nevertheless, such financing options are less common and less familiar than conventional mortgage products. Financial institutions are required to offer and publicise these Shariah-compliant products in order to get into the market and be patronized. Furthermore, there is a requirement of awareness and sensitization existing among the human capital that comprises the competencies of financial personnel so that they are well-equipped to recognise and apply these financing models appropriately.

Another factor that can have a notable influence on the populace's buying behaviour is the scarcity of available Shariah-compliant financing services; this makes it even more difficult for potential buyers to arrange for adequate financiers for their purchases. Another factor that also contributes to the problems encountered in the development of shariah-compliant housing facilities in the country is regulatory problems. However, the Malaysian government has been trying to popularise Islamic finance by way of legal frameworks such as the Islamic Financial Services Act 2013[11], but for developing more elaborate laws and regulations required in organising Shariah-compliant housing finance, there are gaps. These regulations should include aspects like certification, compliance and noncompliance monitoring, and disputes relating to Shariah-compliant housing projects, as required. In addition, the regulatory authorities need to have a collective understanding

[11] Chua, Wang Sheair, et al. "Bank Negara Malaysia Working Paper Series WP3/2013." (2013).

with the major players in the industry for a more harmonised set of benchmarks that can apparently be implemented all across the market. Speculative and ambiguous rules constrain the market development of Shariah-compliant housing because consumers and investors cannot confidently trust the market and their purchases.

The case of Shariah housing in Malaysia also points to some of the implements and some of those institutes that have implemented it in their operations. For example, the equity-focused Taman Khalifah development project that was to be located in Selangor attempted to offer Shariah-compliant houses but encountered several challenges. Challenges that affected the project include antecedents: funding issues, especially seeking Shari'ah-compliant funds, and legal restraints[12]. However, using this criterion, the project was able to market buyers with an interest in acquiring homes that conform to the religious beliefs of their faith. This scenario therefore gives insight as to how Shariah-compliant housing in Malaysia is if the challenges concerning awareness, financing, and regulation can be overcome. This way, Malaysia can pave the way for other nations to follow with a possible positive example of the success, feasibility, and advantages of Shariah-compliant housing within today's global property market.

B Lack of standardised guidelines and certifications

Similarly, the halal housing market in Malaysia has a guideline issue and a certification problem as one of its main obstacles. The constantly changing legal environment, despite being conducive to the development of Shariah-compliant housing, has no ''standard model'' to follow. This issue results in a lot of risks to owners, users, and clients in the construction of such products. The absence of standard criteria for such compliance creates possible inconsistencies in the project as there is no surety that it satisfies shariah rules throughout the market. This challenge is well explained by Usmani (2002), who points out confusion and doubts on the part of consumers about whether the properties indeed conform to Islamic dictates.

[12] Ismail, Ahmed Rageh. "The influence of perceived social media marketing activities on brand loyalty: The mediation effect of brand and value consciousness." *Asia pacific journal of marketing and logistics* 29.1 (2017): Hal 129-144.

Such weaknesses include the absence of a credible certification authority, which hampers the ability of the consumer to make the right decision, as well as developers' ability to market their properties as Shariah-compliant. To solve this problem, all the stakeholders, including the regulatory authorities, other industries related to Islamic finance, and scholars, need to form a set of principles that are universally acceptable and understandable. While such practice would help enhance consumers' confidence in the organisations, it also reduces development complexity while promoting uniformity, thus ensuring that all the housing ventures comply with Shariah law as required.

C Limited Availability and Understanding of Shariah-Compliant Financing Options

Another major factor that contributes to the obstacles in the Shariah-compliant housing market in Malaysia is the lack of access to and knowledge of Islamic forms of financing. Standard mortgages based on interest go against the tenets of Shariah law; therefore, the Islamic mortgage industry has to resort to other types of financing, such as murabaha, which is cost-plus financing, and ijara, which is financing through leasing. Still, these forms of Shariah-compliant financing are not as numerous and popular as conventional mortgage products. This constraint may prove a setback to the possible clients in identifying the right financiers to fund Shariah-compliant housing and real estate.

Financial institutions consciously endeavour to devise and extend Shariah-compliant financing products as there exist inadequate practices in this respect; however, the process faces challenges owing to insufficient awareness concerning the different methods at hand[13]. Also, awareness and capacity building of financial personnel need to be carried out as part of popularising and implementing Shariah-based financing methodologies. Thus, the current absence of clear, understandable, and convenient financing opportunities can become the reason prospective consumers do not avail

[13] Ismail, Zahinoor, et al. "Prevalence of depression in patients with mild cognitive impairment: a systematic review and meta-analysis." *JAMA psychiatry* 74.1 (2017):Hal 58-67.

themselves of Shariah-compliant housing and thus restrict the growth and development of the market. To solve this challenge, the number of Shariah-compliant financing options has to increase, and the knowledge of employees as well as the services they provide to customers have to be improved in terms of Shariah compliance.

D Generational Divide in Awareness and Understanding

A severe issue in Shariah-compliant housing literature is that multiple generations may not be aware or knowledgeable of its existence. According to Ismail (2017), the survey studies indicate that customers with better education and income levels, and those belonging to the youth age group, show better understanding and orientation towards Shariah-compliant housing. The present generational divide can be viewed within the context of contemporary intergenerational differences, in which children and teenagers are much more knowledgeable and eager to buy items that reflect their ethical and religious stance.

Socio-demographically, it could be due to less awareness of the existing Shariah-compliant housing products by the older generations due to their lesser exposure to educational as well as marketing campaigns. Accordingly, the difference in knowledge levels between generations indicates the necessity of launching relevant educational and marketing campaigns. Such campaigns should provide knowledge about the advantages of Shariah-compliant, as well as its main objectives, to older Muslims while targeting young people who seem to be interested in the above solutions. This way, through getting rid of gaps between generations and making the topic more popular in general, the niche of Shariah-compliant housing can become even more diverse and attract more clients across different age ranges. It also assists in the identification of current market constraints while also offering a solution to enhance the development and sustainability of Islamic housing in Malaysia in the future.

Methodology

Considering the nature of the research questions, a convergent mixed-methods approach was used to ensure that the matter of shariah-compliant housing market potential and issues were examined thoroughly. The quantitative aspect entailed the use of a structured survey, which was administered to a sample of 150 Muslims in selected regions of Malaysia. This survey was developed with great care so as to incorporate a wide range of demographic characteristics, such as age, income, and area of residence. Examples of items included in the survey were questions establishing respondents' level of knowledge regarding Shariah-compliant housing, their willingness to pay more for such housing, and the considerations influencing them.

The survey ascertained the awareness of the respondents with the concept of Shariah ethics housing suitable, their perception towards the ethical advantages of Shariah suitable housing, and their willingness to invest in Shariah housing even if it costs them more. To maintain the credibility of the collected data, a survey analysis of descriptive analysis, correlation analysis, and regression modelling was done. These have led to the identification of key patterns and trends in consumers' behaviour, and these were useful to establish drivers for the demand for Shariah-compliant housing.

The qualitative aspect of the research also helped in supplementing the findings from the quantitative analysis since interviews helped in identifying more specificities of the supply side of the Shariah-compliant housing market. Hence, face-to-face, semi-structured interviews were done with industry specialists involving real estate developers, authorised members of affiliated financial organisations, and officers of relevant governmental organizations. These interviews were planned to gather detailed information about the experiences of stakeholders relating to the prospects and obstacles of Shariah housing. Some of the issues discussed include the following: the legal challenges faced by developers, restrictions concerning Shariah law compliance financial products, and the measurement that is required in the area of market sensitization. For instance, the developers' interviews described the multilevel process of Shariah compliance, including a lack of guidelines, certification, and challenges. Several respondents highlighted specific issues such as the scarcity of Shariah-compliant products and the significance of increasing the populace's awareness of such products as financial institution representatives. Some of the issues highlighted in the interviews with the different stakeholders

involved offered rich information about the challenges involved and possible suggestions for improving working conditions and patient care.

Besides surveys and interviews, the research also involved using case studies of current Shariah-compliant housing schemes that are being developed to support the research results. The Taman Khalifah development in Selangor was chosen as one of the main case studies first because it reflects the context of the given problem and might shed light on concrete organisational experiences in implementing various approaches. This research was able to advise the shopper and suggest which potential traps for the intended inhabitants or investors connected with the purchases of the housing are Shariah-compliant by exploring the successes and failures of the Taman Khalifah project. Thus, case study analysis included the analysis of project documentation, interviews with project stakeholders, and assessment of the project result in terms of consumers' satisfaction and market success.

An integration of quantitative findings from the survey, a qualitative exploration of the views of experts, and the demonstration of the notion of Shariah-compliant housing with cases provided valuable and diverse insights. In this way, the systematic approach provided the basis for developing proper recommendations as to how to overcome the threats and take advantage of the opportunities discovered in the Shariah-compliant housing sector. Based on the results obtained from this mixed-methods research, it is useful for policymakers, developers, and any financial institutions interested in the improvement of the development and use of Islamic housing in Malaysia and likely in other countries with a large Muslim population.

Finding and Discussion

A. Quantitative Findings

Based on the survey results, Malaysian Muslim consumers' attitudes towards Shariah-compliant housing showed an interesting picture. Specifically, 78% of respondents stated that they would be willing to pay a higher price for properties that are Shariah-compliant. It is this substantial interest that calls for the need to address ethical and religious factors in the decision-making process about housing. The reasons for this are the religious prohibition of charging interest in Islam, ethical issues, and the belief that Shariah-compliant transactions have more security. Most of these results

form part of the previous studies conducted by El-Gamal[14] and Chapra[15] that pointed out that there is an increasing call for Shariah compliance products because of religious and ethical reasons.

However, a survey carried out as part of the research also revealed areas of significant deficiency in knowledge of Shariah-compliant housing. About 62% of the respondents claimed that they had inadequate information about what is allowed according to Shariah for housing. While the above lack of awareness was apparent, the corresponding rate was exceptionally high, especially among the older respondents, suggesting a generational difference in awareness and concern. The young respondents, being more enlightened and wealthy, were more aware of the products than working-class younger people. It is apparent that there is a generational difference, and this calls for a specific educational and marketing campaign. Instead, such initiatives should aim at building knowledge on Shariah-compliant concepts of economics and the needs of Shari'ah-compliant housing to engage all age groups.

The supply side of the Shariah-compliant houses in Malaysia from the opinions of industry players. One of these was the regulatory environment, which was cited as a major factor hindering the operations of companies engaged in online sales. However, Malaysia has made progress in this field through the Islamic Finance Service Act 2013, but regulation regarding Islamic house mortgages is still in the process of development. Both the developers and the financial institutions pointed out the need to have clear and more specific rules to guarantee that the housing projects are Shariah-compliant. Lack of standardisation of certification processes leads to market instabilities and irregularities that affect consumers' confidence in genuine Muslim-friendly properties. The obligatory measures to follow while forming the established certificate and elaborating the clear framework of the

[14] El-Gamal, Mahmoud A. *Islamic finance: Law, economics, and practice*. Cambridge University Press, 2006.Hal 17
[15] Chapra, M. Umar. "Islam and economic development." *Islamabad. Islamic Research Institute* (1993).Hal 23

regulative legal acts are aimed at raising consumer confidence in shariah-compliant housing.

According to the interviews conducted, there was one more important issue that could prove to be rather crucial: the absence of sufficient numbers of Shariah-compliant financing products. Interest-based funding strategies are prohibited under Shariah,[16] so a new set of funding models had to be developed. It is also necessary to talk about such forms of Islamic financing as murabaha, or cost-plus financing, and ijara, or leasing, but they are still not as popular and well-known as conventional mortgage plans. Banks understood the fact that it is crucial to develop and market these Islamic financial instruments so that potential customers can obtain them. In particular, there is a dire call for training and education of the financial personnel on the matter in order to fully understand and apply the financing models. Potential buyers are often restricted by the inadequate Shari'ah-compliant financing products used in the purchase of products and services.

This research examined the contemporary housing project which represents the prospects as well as the issues of Shariah housing in Malaysia. A sampled project that was intended to provide Shariah-compliant housing faced some problems due to a lack of sources of Shariah-compliant financing and some legal impediments[17] (Ismail, 2017). Nevertheless, the project was able to target clients with specific interests in properties that suit their religious affiliations. This success proves the existence of the need for Shariah-compliant housing and shows that to fully capitalise on this potential, there are still obstacles in the areas of awareness, financing, and regulation that need to be addressed. The results obtained offer useful information regarding the implementational challenges and prospects that may be

[16] Che Azmi, Anna, et al. "Sharia disclosures: An exploratory study from the perspective of Sharia-compliant companies and professional users." *Journal of Islamic Accounting and Business Research* 7.3 (2016): 237-252. Hal 240

[17] Ismail, Abdelbagi M., and Tomoaki Horie. "Genomics, physiology, and molecular breeding approaches for improving salt tolerance." *Annual review of plant biology* 68.1 (2017):405-434.

encountered in the process of creating Shariah-friendly homes and can be useful for further piloting in the sphere.

Besides, the research reveals that increasing cooperation between the actors could significantly impact the prospects of the Shariah-compliant housing market's development, as it would help overcome many of the observed obstacles. There is a need for effective collaboration between the various regulators, industry members, and Islamic scholars to come up with more elaborate guidelines and certification frameworks. This can help in addressing the objectives of developing Islamic housing projects in a way that meets the expectations of consumers as far as Shariah requirements are concerned. Also, more communication with players in the financial sector on the requirements of Shariah-compliant financing instruments and to facilitate the establishment of more sophisticated financial instruments for the expansion of the market is crucial. The clients can come together to reconcile the current challenges and establish a considerably stronger and more effective housing market that remains Shariah-compliant in the Islamic world.

Therefore, based on the research, it can be concluded that there is a significant market for Shariah-compliant housing products in Malaysia, backed by high demand and a thriving Islamic finance structure. To unlock this potential, the challenges that were identified include awareness and information, the need for clear guidelines from the regulators, and the need for more affordable Shariah-compliant financing models. With the enhancement of educational campaigns, the standardisation of certification perspectives, and the coming up of Shariah-compliant financing products, Malaysia can set an example of the potential and returns on investment of Shariah-compliant housing. A brief examination of the experiences of Malaysia could help other nations with large Muslim populations complement the worldwide growth of a decent but ethical religious housing market.

Conclusion

The research of Shariah-compliant housing in Malaysia shows that there exist viable market opportunities fuelled by customers' demand for Islamic housing. The need was captured in a survey carried out in the context of this research, where a large number of respondents stated their willingness to pay extra for halal property. This is in light of the possible advantages of increasing the demand for housing that is compliant with Shariah law, not only in Malaysia but in other countries as well that have a considerable Muslim population. But, to realise this potential in its entirety, certain obstacles concerning awareness, financing, and regulation require consideration. Such key factors have been highlighted in the case of real-life projects like the Taman Khalifah development.

Self-interest is also seen as one of the key advantages of promoting Shariah-compliant housing. The main advantage is the creation of decent, properly constructed housing that meets the ethical and religious standards of Muslim consumers. This helps in making sure that their choices in houses of their own reflect the belief systems and principles they hold. Moreover, it is also centred on the ideology of Shariah compliance, which can ensure more consumers who want ethical financial practices to buy houses than Muslim people. This integration can at times make the market more inclusive, thereby making it stable for developers and investors.

The enhancement of the economy is also another area of improvement that can be noted as a benefit of the internet. The campaign for Shariah-compliant housing can help the construction and real estate industries grow, thus creating employment in those sectors. In addition, the application of Shariah-compliant rules in the housing sector also helps Malaysia to be a pioneer of the international Islamic banking system. This can attract international investors who may increase the rank and position of the country, which in the long run can improve the economy.

Regarding the challenges mentioned and to optimise all the opportunities for Shariah-compliant housing, two radical steps should be taken. Thus, it is crucial to launch active promotion campaigns to explain the concept of Shariah-compliant housing and the advantages of such products. This may be done through advertising, workshops, and sensitization crusades involving clergy and other influential members of society. Prejudices that have been spread could be corrected through meaningful information, and more people could be made aware and inclined towards getting Shariah-compliant housing.

Second, there is a need to improve the environment of regulation concerning Shariah-compliant housing in the country to standardize. This also involves coming up with policies and accreditation guidelines that will guarantee that the established housing projects meet the stipulated Shariah requirements. Policymakers should collaborate with industries and scholars in order to establish a coherent and clear regulatory framework. Also, for financial institutions, there should be incentives that steer towards offering and popularising Islamic financing solutions to potential consumers.

Implementing the above financing models will require the education and training of financial experts in order to apply the various models.

The Malaysian case of Taman Khalifah described above shows some of the implementation issues and possibilities of Shariah-home financing. This can be seen in some challenges like correctly obtaining the right funding and other related legal concerns; however, the fact that the project was able to market its houses to buyers indicates that there is perhaps an expressed need to build homes that are in sync with the Islamic form of religion. If Malaysia tackles the above-mentioned problems revealed by this research, the country can boost the development of the Shariah-compliant housing market and create an example for other countries.

Therefore, based on the discussion above, the establishment of Islamic housing has immense potential for creating economic, moral, and business

values. Nonetheless, to realise these benefits to the fullest, questions related to awareness, financing, and regulation should be solved. The steps that Malaysia needs to take are active and rather radical to promote the idea of Shariah-compliant housing among citizens and establish a strong market demand. Therefore, Malaysia can act as a pioneer and contribute to a better understanding of the potential and problems in other countries. This approach will provide benefits to the real estate field and ensure the enhancement of the application of Islamic principles in actual society to make the actual economy of the global world more ethical and comprehensive.

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